

Sunset Public Hearing Questions for
Tellico Reservoir Development Agency
Created by Section 64-1-701, *Tennessee Code Annotated*
(Sunset termination June 2010)

1. Provide a brief introduction to the agency including information about its purpose, statutory duties, staff, and administrative attachment.

RESPONSE

Purpose: The Tellico Reservoir Development Agency (TRDA) is a public entity created by the Tennessee Legislature in April 1982 (Chapter 679, codified as Section 64-1-701 et. seq., Tennessee Code Annotated). This legislation provided that “The agency is created for the purpose of developing and effectuating plans and programs for the comprehensive development of, acquiring, operating, managing, selling, leasing, and the development of, all or a portion of the lands lying within the Tennessee Valley Authority Tellico Reservoir project area...”.

Duties:

Section 64-2-703 of the legislation empowered the Agency to:

- Enter into contracts and cooperative agreements with TVA, public governments and agencies, and private companies and individuals.
- Adopt a broad range of administrative and corporate procedures and policies.
- Appoint and hire personnel and agents.
- Apply for and accept grants, loans, or other financial assistance.
- Accept donations.
- Acquire and sell real and personal property.
- Establish and charge fees.
- Promulgate and enforce rules and regulation.
- Construct roads, public utilities, and other public works.

Section 64-1-703 of the legislation empowered the Agency to borrow funds and issue bonds.

Staff: The Agency is directed by a full-time Executive Director who is responsible for day-to-day operations and management of TRDA. The Agency currently has 34 other full and part time employees: four in administration and project marketing; five in maintenance and operations; five at TRDA campgrounds and 20 at the Tellico West Child Development Center.

2. Provide a list of current members of the board of directors and describe how membership complies with Section 64-1-702, Tennessee Code Annotated.

RESPONSE

As required in Section 64-1-702, TRDA is controlled by a nine member Board of Directors, including the County Mayors of Blount, Loudon, and Monroe Counties and two persons from their respective counties. Section 64-1-702 requires "In the selection of nominees for the board of directors, due consideration shall be given to persons active in municipal, industrial, agricultural, community, commercial, and citizen organizations." The citizen members of the board represent a variety of vocations and professions, and they are involved in a number of organizations.

From Blount County:

Jerry Cunningham, Blount County Mayor and Board Vice Chairman
David Black, Citizen member: Attorney, Blount County Industrial Board
Bob Davis, Citizen member: Former County Executive and educator

From Loudon County:

Doyle Arp, Loudon County Mayor and Board Chairman, former Loudon County Property Assessor
Gene Lambert, Citizen member: Loudon City Councilman, member of Loudon Utilities Board, former Loudon Mayor
Jimmy Matlock, Citizen member: Owner Matlock Tire Company, Tennessee State Representative

From Monroe County:

Allan Watson, Monroe County Mayor
Charles Hall, Citizen member: Businessman, active in a number of citizen groups, former Tellico Plains Mayor
Robert Bettis, Citizen member: Manager, Sweetwater Utilities Board

Who appoints members?

RESPONSE

The citizen board members are appointed by their respective County Mayor with the advice and consent of the County Commission.

Are there any vacancies on the board? If so, what steps have been taken to fill the vacancies?

RESPONSE

There are no vacancies on the board.

3. Does the board's membership include public/citizen members?

RESPONSE Yes.

Female members?

RESPONSE No.

Members of a racial minority?

RESPONSE No.

Members who are 60 years of age or older?

RESPONSE Yes.

4. How many times did the board of directors meet in fiscal years 2007 and 2008, and how many members were present at each meeting?

RESPONSE

11-21-06	7 present
02-16-07	7 present
05-11-07	7 present
08-10-07	7 present
11-09-07	9 present
12-14-07	8 present
02-08-08	6 present
07-16-08	8 present
08-22-08	9 present

5. What per diem or travel reimbursement do members receive?

RESPONSE

None.

How much was paid to board members during fiscal years 2007 and 2008?

RESPONSE

A total of \$5,827.50 was paid to board members for attendance at board and committee meetings in fiscal years 2007 and 2008.

6. What were the agency's revenues (by source) and expenditures (by object) for fiscal years 2007 and 2008?

RESPONSE

For the Years Ended August 31,	2008	2007
OPERATING REVENUES		
Land Sales	594,107	1,055,499
Leases, Net	511,997	503,677
Licensing - Agricultural and Other	15,299	16,100
Wastewater Treatment Fees	242,180	292,546
Building Permit Fees	55,326	66,380
Child Development Center Fees	382,747	383,567
Campground Fees	468,213	336,787
Miscellaneous	33,852	25,711
Total Operating Revenues	2,303,721	2,680,267
OPERATING EXPENSES	3,352,414	3,259,189
NONOPERATING REVENUES	(361,620)	654,956
CAPITAL CONTRIBUTIONS REVENUES	575,509	1,451,697
CHANGE IN NET ASSETS	(834,804)	1,527,731

7. Is the agency subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes?

RESPONSE

Yes.

If so, what procedures does the agency have for informing the public of its meetings and making its minutes available to the public?

RESPONSE

Public Notice of each regular and called meeting of the Board and its various committees is made in one or more newspapers of general circulation in Blount, Knox, Loudon, and/or Monroe Counties. In addition, the editors of the local newspapers in Blount, Loudon, and Monroe Counties are FAXed a personal reminder in advance of each meeting. Copies of Board-approved minutes are available upon request.

8. What policies does the agency have in place to address potential conflicts of interest by board members and employees?

RESPONSE

The Agency adopted a Code of Ethics on 2-16-07 which includes a Conflict of Interest Disclosure Statement that is signed by all Board members and employees. An Ethics Committee was appointed on 8-10-07. Additionally, TRDA is in compliance with state law and with Article 15 of Contract No. TV-60000A with the Tennessee Valley Authority which states that "No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA, Agency, or Blount, Loudon, or Monroe County or any municipalities thereof shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom, but this provision shall not be construed to extend to a corporation or unit of Government contracting for its or for the public's general benefit or to prohibit an officer, employee, special Government employee, or agent of TVA, Agency, or Blount, Loudon, or Monroe County or any municipalities thereof from participating in the project on the same basis as the general public. . . "

9. What formal policies or processes does the agency have in place to address concerns and complaints from the public regarding the agency's activities? Please describe any recent complaints or concerns raised and describe how the complaints or concerns were addressed.

RESPONSE

All Agency meetings are open to the public in compliance with Sunshine law requirements. The Board has adopted an official policy that, prior to each Board of Directors meeting, there is an opportunity for any person to address the Board with any questions, concerns, or complaints.

10. Describe the nature and extent of the agency's activities and any major accomplishments during the past two years.

RESPONSE

The following summarizes activities and accomplishments for 2007 through 2008:

2007

- Sold of 50.50 acres of industrial land for Christensen Shipyards.
- Granted easement to Loudon County for access road to Christensen and other industrial properties.

- Approved Lake Access Facility Lease and Facilities Easement Agreement with Cobalt Yachts.
- Named Tellico Regional Business Park.
- Sold 72.88 acres at Island Creek in Vonore to VPI Company, LLC for residential development.
- Adopted Rarity Bay Subordination Agreement.
- Canceled Agreement for Wastewater Treatment Service with Tellico Lake Properties, L.P.
- Adopted Code of Ethics.
- Christensen building started. The 400,000 square-foot building will be 80' high.
- Initial study as to the possibility of locating a 5,000' airstrip in Tellico Regional Business Park area.
- Possibility of establishing a Marine Technology Training Institute.
- Established \$1,000 fee for each Rarity Bay building permit issued from this point forward as a loss of wastewater treatment capacity fee.
- Developed plans and began work on improvements at the new Toqua RV Campground. Improvements include roads, swimming area and beach, a refurbished bathhouse, two new bathhouses, manager's residence, camp store building, landscaping, and new campsites with water, electrical, and sewer hookups, fire rings, and picnic tables.
- Appointed Ethics Committee.
- Consideration of wastewater treatment for the City of Madisonville.
- Contract for sale of approximately 10 acres to Nautical Structures Industries, Inc. in the Tellico Regional Business Park.

2008

- Agreed to sell approximately 22 acres of industrial property in Tellico Regional Business Park for two additional manufacturing sites.
- Sold a 1.60-acre lot in the Business Services Center for a small manufacturing facility

- Sold 10.18 acres in the Tellico Regional Business Park to Nautical Structures Industries, Inc.
- Agreed to sell 1.45 acres of property adjoining a residential development.
- Continue to help market the Cobalt Yachts property to other prospects after Cobalt announced in early 2008 that it was leaving Vonore and moving back to Kansas.
- Joined Innovation Valley, a new initiative for the comprehensive marketing of land in counties surrounding Knox County.
- Began legal proceedings to ask for declaratory judgment regarding TRDA's authority to issue building permits in Loudon County.
- Was awarded a FastTrack Infrastructure Development Program (FIDP) grant in the amount of \$545,897 for site and utility improvements relative to the facility expansion of Tennessee Watercraft Inc.
- Participated in a meeting with Loudon and Monroe County officials, Tennessee Department of Transportation, and Tennessee Economic and Community and Development to discuss potential improvements to Highway 411 and the East Coast Tellico Parkway.
- Extended building lease with Hoermann GADCO, LLC until 12-31-10 and extended Hoermann GADCO LLC's option to purchase approximately 40 acres of industrial property until 12-31-10.
- Terminated the Recreation Area Agreement with the Town of Vonore and abandoned a Recreation Easement with TVA in order for the Town of Vonore to build a community park at Island Creek.
- Canceled a contract with Tellico Area Services System (TASS) for TASS to share water and sewer revenues on certain lines constructed by TRDA.
- Signed Memorandum of Understanding with the City of Madisonville relative to a concept plan for the transmission and treatment of wastewater from the City of Madisonville.
- Participated with Loudon County and Tennessee Department of Transportation in the construction of industrial access road and other improvements to serve Christensen Shipyards and other industries sites in Tellico Regional Business Park.

- 11. Section 64-1-701, *Tennessee Code Annotated*, requires the agency to develop and execute a plan for the comprehensive development of the Little Tennessee River watershed including the areas of economic growth and residential, recreational, commercial and industrial development of development lands. Please describe your current plan and explain any changes that have occurred in the plan since the agency's last sunset hearing in April 2008.**

RESPONSE

The comprehensive development plan for the Tellico Project as outlined in Contract No. TV-60000A continues to guide TRDA's activities. The contract between TRDA and TVA has not been amended since the last sunset hearing in April 2008.

- 12. What reports are prepared on the agency's operations, activities, and accomplishments, and who receives these reports? Describe any additional types of government oversight of the agency's activities.**

RESPONSE

TRDA's annual financial audit is conducted each year by a private accounting firm in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The audit report is provided to the county mayors of Blount, Loudon, and Monroe Counties as well as to all other members of the TRDA Board of Directors. The audit report is forwarded to the Tennessee Valley Authority. It is filed with the Division of Municipal Audit, Comptroller of the Treasury, State of Tennessee. The annual financial audit report is available from TRDA upon request.

TRDA's Annual Report, which outlines TRDA's operations, activities, and accomplishments for each fiscal year, is forwarded to all TRDA Board members, the county commissions of Blount, Loudon, and Monroe Counties, TVA, local newspapers, companies and developments located on former TRDA-owned land, all state legislators, other interested parties, and members of the general public. The Annual Report is available from TRDA upon request.

The Tennessee Department of Environment and Conservation oversees TRDA activities related to the operation of its wastewater treatment plant.

Oversight by the Tennessee Valley Authority is made available through Contract No. TV-60000A which provides for checks and balances relating to land use and financial matters.

The Tennessee Department of Health, Division of General Environmental Health issues permits and inspects Lotterdale Cove Campground, Notchy Creek Campground, and Toqua Campground.

TRDA's Tellico West Child Development Center is a Three Star designated facility. Oversight for this facility is provided by Tennessee Department of Human Services. The State of Tennessee Department of Health issues a Food Service Establishment permit to the Center and performs periodic inspections.

13. Please describe the projects that the agency is involved in by project type, estimated cost, and expected completion date.

RESPONSE

TRDA has been involved in a variety of projects related to carrying out a comprehensive plan of economic growth through residential, recreational, commercial, and industrial development.

During its twenty-seven (27) years of operation, TRDA has sold or conveyed approximately 8,400 acres of land. Approximately 1,800 acres remain to be developed.

- TRDA currently plans to sell two parcels in Tellico Regional Business Park.
- TRDA has an option agreement to sell approximately 40 acres of land in Tellico West Industrial Properties to Hoermann GADCO, LLC.
- TRDA has an option agreement to sell approximately 155 acres and to lease approximately 65 acres to Westminster Farms, LLC for a residential development.
- Tellico West Child Development Center: TRDA continues to operate the Tellico West Child Development Center located in the Business Services Center. This Three Star designated center has an average enrollment of 75 children between the ages of 6 weeks and five years.
- Public Recreation Areas: TRDA continues to make improvements on an on-going basis in each of three campgrounds as necessary to provide first rate facilities for the use and enjoyment of the general public. In addition, TRDA maintains eleven public boat ramp areas, the Wildcat Rock Trailhead area, and two fishing piers.
- Madisonville Wastewater Treatment Project: TRDA has signed a Memorandum of Understanding with the City of Madisonville regarding provision of wastewater treatment services for the City. TRDA and the City continue to work on the project logistics. The project costs and

timeline are unknown at this time. Madisonville will secure the funding for the project.

14. Section 64-1-704, *Tennessee Code Annotated*, authorizes the agency to issue bonds. Has the agency ever exercised that power?

RESPONSE No.

If so, when and for what purpose? What types of bonds has the agency issued and for what purposes? What were the total dollars issued for the past five years and the projects the bonds were issued to finance? What standard is used to ensure the agency issues bonds in a fiscally sound manner?

RESPONSE Not Applicable.

15. Section 64-1-703, *Tennessee Code Annotated*, gives the agency the authority to promulgate rules. If rules have been promulgated, please cite the reference.

RESPONSE

Yes. TRDA's development activities are guided by the Development Standards set forth in Contract No. TV-60000A between TRDA and the Tennessee Valley Authority. From time to time, TRDA does adopt additional rules for governing its activities as needed or may be required by state or federal laws.

The following is a listing of major rules adopted by majority vote of the TRDA Board of Directors:

	Reference #
• By-Laws	8-18-82-6
• Sewer Use Resolution	6-15-88-1
• Utility Rights-of-Way Policy	2-08-89-1
• Storm Water Detention Resolution	9-20-89-1
• Recreation Lake Access Easement Policy	6-20-90-2
• Fee Schedule	8-21-91-1
• Policy for Marginal Strip Land	11-10-91-1
• TRDA Board Listening Session Policy	11-20-91-2
• Industrial Wastewater Pretreatment Program Enforcement Response Plan	11-20-91-3
• Amended Fee Schedule	5-11-01-1
• Expanded Permitted Uses in Business Services Center	8-08-03-1
• Adopted TWRA Regulations at Boat Ramps	2-20-04-1

- Amended Lake Access Easement Policy 8-11-06-1
- Adopted Code of Ethics 2-16-07-1
- Adopted Updated Sewer Use Resolution 11-09-07-1

16. Describe any items related to the agency that require legislative attention and your proposed legislative changes.

RESPONSE None

17. Should the agency be continued? To what extent and in what ways would the absence of the agency affect the public health, safety, or welfare?

Yes, the Tellico Reservoir Development Agency should be continued at this time for the maximum 8-year period allowed by Sunset requirements.

TRDA is involved in a variety of development activities which has enhanced the quality of life for citizens in the three county area it serves. Many factors, such as available workforce, workforce skills, economic conditions, and community infrastructure, have been improved as a result of TRDA's continuing efforts.

TRDA Training Center and Tellico Education Consortium: TRDA provides operating space at no charge for the Tennessee Workforce Development Center to carry out its activities to serve unemployed and underemployed individuals in the area. TRDA also provides offices and classrooms in the Training Center at no charge for Cleveland State Community College to operate a satellite campus as part of its participation in the Tellico Education Consortium.

Tellico West Child Development Center: TRDA subsidizes the daily operations of the Tellico West Child Development Center by providing the building, staff support, building maintenance, equipment, and on-going funding. The Center provides a quality learning environment for children whose parents may be employed in local industries. Because of TRDA's support, the Center can offer its valuable services at a reduced rate as compared to similar privately-operated facilities.

Industrial Development: Industrial development activities provide for continued growth of jobs and an enhanced tax base which serves the general citizens of local governments.

Public Recreation: Continued development and operation of various Public Recreation facilities which provide the public with opportunities to access and enjoy Tellico Reservoir in a safe and properly maintained manner.

Residential Development: The development of residential communities provides not only quality housing, but a number of job opportunities from construction to landscaping and maintenance.

Commercial Recreation: There is currently one full service commercial marina on Tellico Reservoir. A boat repair and refurbishment facility is located adjacent to the Port of Tellico. Continued development of additional commercial recreation facilities will serve boaters, fishermen, and other water sport enthusiasts.

TRDA's mission is not complete. The Agency has a strong track record of helping make positive changes occur. Continuity is important in maintaining the momentum underway on TRDA lands. TRDA should be continued in order to carry out the comprehensive development plan in a quality manner based on the Agency's already proven track record.

- 18. Please list all agency programs or activities that receive federal financial assistance and, therefore are required to comply with Title VI of the Civil Rights Act of 1964. Include the amount of federal funding received by program/activity.**

RESPONSE

No Agency programs or activities receive on-going federal financial assistance. As set forth in Contract No. TV-60000A between TRDA and TVA, TRDA complies with the requirements of Title VI of the Civil Rights Act of 1964.

If the agency does receive federal assistance, please answer questions 19 through 26. If the agency does not receive federal assistance, proceed directly to question 25.

RESPONSE Not Applicable

- 19. Does your agency prepare a Title VI plan? If yes, please provide a copy of the most recent plan.**
- 20. Does your agency have a Title VI coordinator? If yes, please provide the Title VI coordinator's name and phone number and a brief description of his/her duties. If not, provide the name and phone number of the person responsible for dealing with Title VI issues.**
- 21. To which state or federal agency (if any) does your agency report concerning Title VI? Please describe the information the agency submits to the state or federal government and/or provide a copy of the most recent report submitted.**
- 22. Describe your agency's actions to ensure that staff and clients/program participants understand the requirements of Title VI.**

- 23. Describe your agency's actions to ensure they are meeting Title VI requirements. Specifically, describe any monitoring or tracking activities related to Title VI, and how frequently these activities occur.**
- 24. Please describe the agency's procedures for handling Title VI complaints. Has your agency received any Title VI-related complaints during the past two years? If yes, please describe each complaint, how each complaint was investigated, and how each complaint was resolved (or, if not yet resolved, the complaint's current status).**
- 25. Please provide a breakdown of current staff of the agency by title, ethnicity, and gender.**

<u>Title</u>	<u>Ethnicity</u>	<u>Gender</u>
1 Executive Director	Caucasian	Male
2 Administrative Assistant	Caucasian	Female
3 Secretary	Caucasian	Female
4 Services Manager	Caucasian	Male
5 Operations Manager	Caucasian	Male
6 Wastewater Plant Chief Operator	Caucasian	Male
7 Wastewater Plant Operator Trainee	Caucasian	Male
8 Maintenance Worker	Caucasian	Male
9 Maintenance Worker	Caucasian	Male
10 Maintenance Worker	Caucasian	Male
11 Campground Manager	Caucasian	Female
12 Campground Manager	Caucasian	Female
13 Campground Manager	Caucasian	Female
14 Campground Worker	Caucasian	Female
15 Campground Worker	Caucasian	Female
16 Child Care Center Director	Caucasian	Female
17 Child Care Center Assistant Director	Caucasian	Female
18 Child Care Center Cook	Caucasian	Female
19 Child Care Center Teacher	Caucasian	Female
20 Child Care Center Teacher	Caucasian	Female
21 Child Care Center Teacher	Caucasian	Female
22 Child Care Center Teacher	Caucasian	Female
23 Child Care Center Teacher	Caucasian	Female
24 Child Care Center Teacher	Caucasian	Female
25 Child Care Center Teacher	Caucasian	Female
26 Child Care Center Teacher	Caucasian	Female
27 Child Care Center Teacher	Caucasian	Female
28 Child Care Center Teacher	Caucasian	Female
29 Child Care Center Teacher	Caucasian	Female
30 Child Care Center Teacher	Caucasian	Female
31 Child Care Center Teacher	Caucasian	Female
32 Child Care Center Teacher	Caucasian	Female
33 Child Care Center Teacher	Caucasian	Female
34 Child Care Center Teacher	Caucasian	Female
35 Child Care Center Teacher	Caucasian	Female

26. Please list all agency contracts, detailing each contractor, the services provided, the amount of the contract, and the ethnicity of the contractor/business owner.

<u>Contractor Name</u>	<u>Services</u>	<u>Contract Amount</u>	<u>Ethnicity</u>
U.S. Security Associates	24-Hour, 7-Days per week Guard Services	\$108,160	Unknown
Pugh & Company, PC	Auditing Services 9-01-06 to 8-31-07	\$58,500	Unknown
Rodefer Moss & Co, PLLC	Auditing Services 9-01-07 to 8-31-08	\$55,000	Unknown